

ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor		2011-13 Change Over Base Year Doubled		2010-11	Governor		2012-13 Over 2010-11	
		2011-12	2012-13	Amount	%		2011-12	2012-13	Number	%
GPR	\$386,207,700	\$381,345,300	\$643,082,300	\$252,012,200	32.6%	91.46	89.58	89.20	- 2.26	- 2.5%
FED	166,089,000	168,032,900	166,429,600	2,284,500	0.7	112.91	80.06	67.56	- 45.35	- 40.2
PR	330,792,300	319,834,300	316,782,600	- 24,967,700	- 3.8	842.45	802.53	801.15	- 41.30	- 4.9
SEG	<u>49,611,800</u>	<u>50,097,000</u>	<u>50,097,000</u>	<u>970,400</u>	1.0	<u>11.60</u>	<u>11.60</u>	<u>11.60</u>	<u>0.00</u>	0.0
TOTAL	\$932,700,800	\$919,309,500	\$1,176,391,500	\$230,299,400	12.3%	1,058.42	983.77	969.51	- 88.91	- 8.4%

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS

Governor: Provide standard budget adjustments to the base totaling \$939,700 GPR, \$2,656,200 FED, \$4,034,400 PR and -\$56,800 SEG and -29.0 FED positions in 2011-12 and \$921,000 GPR, \$1,049,200 FED, \$4,012,100 PR, and -\$56,800 SEG and -0.38 GPR, -41.5 FED and -0.38 PR positions in 2012-

	Funding	Positions
GPR	\$1,860,700	- 0.38
FED	3,705,400	- 41.50
PR	8,046,500	- 0.38
SEG	<u>-113,600</u>	<u>0.00</u>
Total	\$13,499,000	- 42.26

13. Adjustments are for: (a) turnover reduction (-\$106,300 GPR and -\$1,076,000 PR annually); (b) removal of non-continuing elements from the base (-\$1,265,800 FED and -29.0 FED positions in 2011-12 and -\$22,300 GPR, -\$2,872,800 FED, and -\$22,300 PR and -0.38 GPR, -41.50 FED, and -0.38 PR positions in 2012-13); (c) full funding of continuing salaries and fringe benefits (\$1,039,500 GPR, \$3,923,700 FED, \$4,549,900 PR, and -\$57,500 SEG annually); (d) reclassifications (\$6,700 GPR in 2011-12 and \$10,300 GPR in 2012-13); (e) overtime (\$547,800 PR annually); (f) night and weekend differential (\$28,400 PR annually); and (g) full funding of lease costs and directed moves (-\$200 GPR, -\$1,700 FED, -\$15,700 PR, and \$700 SEG annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- \$955,800
FED	- 807,100
PR	- 8,067,000
SEG	- 133,200
Total	- \$9,963,100

Governor: Delete \$4,983,400 in 2011-12 and \$4,979,700 in 2012-13 to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include \$477,900 GPR, \$405,400 FED, \$4,033,500 PR, and \$66,600 SEG in 2011-12 and \$477,900 GPR, \$401,700 FED, \$4,033,500 PR, and \$66,600 SEG in 2012-13. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- \$555,200
PR	- 9,049,000
Total	- \$9,604,200

Governor: Reduce funding by \$277,600 GPR and \$4,524,500 PR annually associated with a 10% reduction to supplies and other non-personnel costs. Included in the recommended reductions are several large reductions which are shown below.

<u>Fund</u>	<u>Appropriation</u>	<u>Annual Reduction</u>
GPR	Program Operations	\$175,800
PR	Land Information	\$275,700
	Relay Service	433,600
	Materials and Services to State Agencies	196,800
	Telecommunications Services	1,953,700
	District Attorney Information Technology	282,600
	Financial Services	546,500
	Law Enforcement Grants	136,100

4. ELIMINATE LONG-TERM VACANCIES

	<u>Funding</u>	<u>Positions</u>
GPR	- \$212,400	- 1.88
FED	- 61,200	- 0.50
PR	- 2,969,200	- 25.03
SEG	- 146,200	- 1.00
Total	- \$3,389,000	- 28.41

Governor: Delete \$1,694,500 (all funds) and 28.41 (all funds) positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include \$106,200 GPR and 1.88 GPR positions, \$30,600 FED and 0.5 FED position, \$1,484,600 PR and 25.03 PR positions, and \$73,100 SEG and 1.0 SEG position annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	\$258,724,500
GPR-Lapse	237,992,300
GPR-Earned	<u>20,732,200</u>
Change to Balance	\$0

Governor: Provide \$258,724,500 in 2012-13 over base level funding of \$274,749,000 in 2010-11 to meet the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Corresponding increases would be made in lapses and transfers from state agency operation appropriations to pay for each agency's share of these costs. The estimated appropriation amounts are being increased to reflect the changes in the debt service schedule on the obligations primarily associated with the required refinancing of the variable rate portion of this debt with longer-term obligations.

The appropriation level must equal the maximum possible payment that could be made in a given year under the debt structure associated with these obligations and all related ancillary agreements. The funding level would be \$274,749,000 in 2011-12 and \$533,473,500 in 2012-13.

Estimate lapses to the general fund of \$145,642,800 in 2011-12 and \$396,012,500 in 2012-13 associated with lapses from agency general fund operations appropriations attributable to the GPR share of debt service on the appropriation obligation bonds, which would represent decrease of \$6,188,700 in 2011-12 and an increase of \$244,181,000 in 2012-13 from the budgeted lapse of \$151,831,500 in the 2010-11 base year. Estimate GPR-Earned under DOA at \$129,105,700 in 2011-12 and \$137,460,500 in 2012-13 attributable to transfers from SEG and PR state agencies to offset a portion of this debt service, which would represent increases of \$6,188,700 in 2011-12 and \$14,543,500 from budgeted GPR-Earned of \$122,917,000 in the 2010-11 base year. The funding adjustments associated with these bonds are shown in the following table:

	<u>2011-12</u>	<u>2012-13</u>	
DOA Appropriation for Debt Service	\$274,749,000	\$533,473,500	GPR
Related GPR-Lapses from Agencies	<u>-145,642,800</u>	<u>-396,012,500</u>	GPR- Lapse
Net GPR Appropriation	\$129,106,200	\$137,461,000	
Related Payments to General Fund			
From PR and SEG Appropriations	\$129,105,700	\$137,460,500	GPR-Earned

6. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE - - TOBACCO BONDS

GPR	\$967,500
GPR-Lapse	618,800
GPR-Earned	<u>5,949,600</u>
Change to Balance	\$5,600,900

Governor: Specify a decrease in funding of \$125,900 in 2011-12 and an increase in funding of \$1,093,400 in 2012-13 from the base level of \$92,600,000 in 2010-11. These changes are a result of reestimated amounts needed to pay debt service on appropriation obligation bonds issued under the state's transaction to refinance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. DOA issued the appropriation bonds to carry out this transaction in March, 2009.

Debt service on the appropriation obligation bonds are paid from an annual GPR appropriation and total requested debt service funding would be \$92,474,100 in 2011-12 and \$93,693,400 in 2012-13. Increase GPR-Earned estimates by \$3,173,300 in 2011-12 and \$2,776,300 in 2012-13, compared with the budgeted amount of \$94,412,800 in 2010-11. These revenues are associated with the reacquired tobacco settlement revenues, which are deposited to the general fund after \$50,000,000 annually is transferred to the medical assistance trust fund. In addition, estimate lapses of \$4,000 in 2011-12 and \$614,800 in 2012-13 associated with the tobacco-related appropriation obligation bonds issued under the March, 2009 transaction.

7. DEBT SERVICE REESTIMATE

GPR	- \$3,289,200
PR	<u>- 9,021,000</u>
Total	- \$12,310,200

Governor: Reestimate funding by -\$1,214,900 GPR and -\$3,386,100 PR in 2011-12 and -\$2,074,300 GPR and -\$5,634,900 PR in 2012-13 to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) general fund supported principal and interest for educational technology infrastructure in schools (-\$1,296,000 GPR in 2011-12 and -\$2,151,500 GPR in 2012-13); (b) general fund supported principal and interest for educational technology infrastructure in libraries (\$9,600 GPR in 2011-12 and \$4,900 GPR in 2011-12); (c) general fund supported principal and interest for the Black Point Estate in Lake Geneva (\$71,500 GPR in 2011-12 and \$72,300 GPR in 2012-13); (d) program revenue supported principal and interest for educational technology infrastructure for schools (-\$307,700 PR in 2011-12 and -\$700,300 PR in 2012-13); (e) program revenue supported principal and interest for educational technology infrastructure for public library boards (-\$5,200 PR in 2012-13); (f) principal repayment and interest for parking in Madison (\$2,400 PR in 2011-12 and \$484,700 PR in 2012-13); and (g) principal repayment and interest for buildings used to house state agencies (-\$3,080,800 PR in 2011-12 and -\$5,414,100 PR in 2012-13).

8. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- \$2,433,100
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Governor: Decrease funding by \$2,552,200 in 2011-12 and increase funding by \$119,100 in 2012-13 to reflect the changes estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (see "Building Commission" for additional information regarding this provision).

9. ELEMENTARY SCHOOL READING TASK FORCE

GPR	\$1,200,000
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Governor: Provide \$600,000 annually and create an appropriation for the costs to develop and implement a program to assess and improve literacy in elementary school children. Provide that a task force, created by the Governor by executive order and charged with

developing detailed recommendations for a program to assess and improve literacy in elementary school children, may request DOA to release funding from the DOA appropriation for use by DOA to implement the recommendations of the task force after the Governor has approved the detailed recommendations proposed by the task force.

[Bill Sections: 726 and 9101(2)]

10. ELIMINATE THE OFFICE OF THE WISCONSIN COVENANT SCHOLARS PROGRAM

	Funding	Positions
GPR	- \$406,400	- 2.00

Governor: Eliminate the Office of the Wisconsin Covenant Scholars program (OWCSP). Delete the appropriation for the Wisconsin Covenant and \$203,200 and 2.0 positions annually and reduce the number of division administrator positions within the DOA by one. Transfer the assets, liabilities, and tangible personal property, including records, of OWCSP to the Higher Educational Aids Board (HEAB) on the effective date of the bill. In addition, transfer all contracts entered into, rules promulgated, and orders issued by OWCSP to HEAB. Specify that all transferred contracts, rules, and orders would remain in effect until their specified expiration date or until amended, repealed, modified, or rescinded by HEAB. Transfer all matters pending with OWCSP to HEAB.

In addition, delete current law requirements of DOA related to the promotion of postsecondary education. These requirements include: (a) serving as the state's liaison agency; (b) coordinating the postsecondary education promotional activities of state agencies, other organizations, and the Wisconsin Covenant Foundation, Incorporated (WCFI), and preventing duplication of effort in conducting those activities; (c) contracting with WCFI to establish and implement a campaign to promote attendance at nonprofit postsecondary institutions in this state if determined to be appropriate by the Secretary of DOA; and (d) reporting annually to the Legislature on the postsecondary educational promotional activities conducted by WCFI with state funding by July 1.

[Bill Sections: 83, 84, 95, 209, 725, 2753, and 9101(3)]

11. CREATE OFFICE OF BUSINESS DEVELOPMENT

	Funding	Positions
GPR	\$363,400	2.00

Governor: Provide \$181,700 and 2.0 unclassified positions annually to create an Office of Business Development attached to DOA. The Office would be at the direction of an unclassified Director. Specify that the Director and the Deputy Director would be appointed by the Governor and serve at the Governor's pleasure. Specify that the Director would be assigned to executive salary group (ESG) 3 and the Deputy Director would be assigned to ESG 2. The Office would perform the functions as determined by the DOA Secretary.

Funding for the Office would be as follows: (a) salary \$132,900 annually, and (b) fringe benefits, \$48,800 annually. No supplies and services funding would be provided. The current salary range for an ESG 2 is \$64,160 to \$99,449 annually. The current salary range for ESG 3 is

\$69,294 to \$107,407 annually.

[Bill Sections: 96, 213, 807, 814, and 2761]

12. INFORMATION TECHNOLOGY MANAGERS IN EXECUTIVE SALARY GROUP

Governor: Specify that the administrator of any division in DOA having responsibility for information technology management would be assigned to executive salary group (ESG) 7. Currently, the Director of the Office of State Employment Relations assigns the ESG level for division administrators with Joint Committee on Employment Relations approval.

The State Budget Office indicates that this provision is intended to apply only to the division administrator of DOA's Division of Enterprise Technology. The division administrator for the Division of Enterprise Technology is currently assigned to ESG 5 (an annual salary range of \$80,826 to \$125,282). Under the Governor's recommendation, this position would move to an ESG 7 (an annual salary range of \$94,277 to \$146,131).

[Bill Sections: 805 and 809]

13. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete \$114,100 FED and 1.0 FED position and provide \$114,100 and 1.0 PR position related to the conversion of classified staff to unclassified staff and converting 1.0 position from PR-funded to FED-funded. Convert a total of 3.0 classified positions to unclassified positions under DOA. This would include: (a) converting 1.0 classified position under the Division of Legal Services to unclassified; (b) converting 1.0 classified position under materials and services to state agencies appropriation to unclassified; and (c) deleting \$114,100 FED and 1.0 FED classified position annually from federally funded indirect cost reimbursements appropriation and providing \$61,400 and 0.5 unclassified position under the capital planning and building construction appropriation and \$52,700 and 0.5 unclassified position under the materials and services to state agencies appropriation.

	Funding	Positions
FED	- \$228,200	- 1.00
PR	<u>228,200</u>	<u>1.00</u>
Total	\$0	0.00

Under 2011 Wisconsin Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Wisconsin Act 10 in regards to the transfer of classified positions to unclassified positions.

14. DELETE DEPUTY ADMINISTRATOR -- ENTERPRISE OPERATIONS

	Funding	Positions
PR	- \$161,600	- 1.00

Governor: Delete \$80,800 and 1.0 classified position annually for a deputy administrator in DOA's Division of Enterprise Operations.

15. DELETE DEPUTY ADMINISTRATOR -- ADMINISTRATIVE SERVICES

	Funding	Positions
PR	- \$236,400	- 1.00

Governor: Delete \$118,200 and 1.0 classified position annually for a deputy administrator in DOA's Division of Administrative Services.

16. APPOINTMENT OF FEDERAL RELATIONS OFFICERS

Governor: Delete the requirement that the Joint Committee on Legislative Organization concur with the Governor on the appointment of an unclassified director and staff assistant for staffing a federal-state relations office in Washington, DC.

[Bill Section: 229]

17. DELETE STATE EMPLOYEE CHILD CARE CENTER SUBSIDY

Governor: Delete the requirement that DOA contract with one or more child care providers to supplement the cost of providing suitable space for child care services offered to the children of state employees who are assigned to work in the central portion of Madison.

Delete the authority of DOA to: (a) in concurrence with the Building Commission, lease space or provide space in any state-owned or state-leased building to be used for a child care provider; or (b) contribute to the space costs incurred by a child care provider serving state employees in central Madison.

Delete the requirement that DOA assess the costs of providing child care facilities for agencies who have employees that are located in central Madison. Delete DOA's authority to assess these agencies on an equitable basis for their share of a subsidy and deposit the revenues into the Department's facilities operations appropriation. Delete language under the appropriation that allows for the expenditure of supplements for child care facilities in central Madison. Delete authority under program supplements for space management that allow supplements to state agency child care facility costs.

Currently, DOA contracts with a child care provider near the Capitol in Madison. In 2010-11 DOA will assess agencies \$293,800 for this subsidy.

Under current law, the child care center that receives this subsidy may provide services to individuals other than state employees as long as state employees are given first opportunity for this service. This requirement would be deleted under the bill.

Delete the requirement that DOA may not authorize construction work for any state office facility in Madison unless DOA first provides suitable space for child care primarily for the use of children of state employees.

Delete the current law requirement that the Office of State Employment Relations Director provide a biennial report to the Building Commission regarding the desirability of child care facility space in the plans for construction or major remodeling projects enumerated in the state building program in the biennial budget act. Delete the specific authority of the Building Commission to direct the inclusion of a child care facility based on such a recommendation.

Specify that these provisions would become effective on September 1, 2011.

[Bill Sections: 39, 43, 264, 267, 727, 776 thru 778, and 9401(1)]

18. LOW-INCOME WEATHERIZATION AND HEATING ASSISTANCE PROGRAMS

Governor: Allow DOA to transfer up to \$10 million from the public benefits fund-supported low-income weatherization program to the low-income heating assistance program in 2011-12 and 2012-13.

This provision would continue a provision that allows the same transfer in the 2009-11 biennium.

[Bill Section: 326]

19. DELETE OFFICE OF ENERGY INDEPENDENCE

	Funding	Positions
FED	- \$324,400	- 2.00

Governor: Delete the Office of Energy Independence (OEI) and its related duties. Under current law, the Office is headed by an Executive Director and staff sufficient to carry out its statutory duties. Delete \$162,200 and 2.0 positions annually related to OEI.

Under current law, OEI is attached to DOA and must work on, and facilitate the implementation of, initiatives that have the following goals: (a) advance Wisconsin's vision for energy independence by generating 25% of Wisconsin power and 25% of Wisconsin transportation fuels from renewable resources by 2025; (b) capture 10% of the emerging bio-industry and renewable energy market by 2030; and (c) become a national leader in groundbreaking research that will make alternative energies more affordable and create new, good-paying jobs in Wisconsin, developing biorefineries, and advancing the sale and use of motor vehicle gasoline and biofuel blends of greater than contain at least 10% of the biofuel. These duties would be deleted under the bill.

The Office must also do the following under current law: (a) ensure and facilitate the implementation of Wisconsin's energy independence initiatives; (b) serve as a single-point of contact to assist businesses, local units of government and nongovernmental organizations that are pursuing bio-development, energy efficiency and energy independence; (c) identify barriers to implementation of the Wisconsin's energy independence initiatives; (d) develop energy independence policy options for consideration by the Governor and state agencies; (e) identify federal funding opportunities and facilitate applications for funding by both state/local government and private entities; (f) perform duties necessary to maintain federal designation and federal funding; and (g) in cooperation with the Department of Agriculture, Trade and Consumer Protection (DATCP), pursue the establishment and maintenance of sufficient alternative fuel refueling facilities at public retail outlets to meet the public's traveling needs. Executive branch agencies are required to provide assistance to OEI to the fullest extent possible. All of these duties and requirements would be deleted.

Under current law, the Office must coordinate the preparation of a biennial strategic bioenergy feedstock assessment for assisting producers and users of bioenergy feedstocks and state and local government policy makers to understand trends in the production and use of bioenergy feedstocks in this state and the effects of that production and use. Each assessment must do all of the following, using readily available information: (a) summarize the bioenergy feedstocks currently and projected to be produced in the state, by region; (b) identify the current and projected significant markets of bioenergy feedstocks produced in the state and outside the state; (c) identify key factors that influence the supply of and demand for major bioenergy feedstocks in the state, including the types and amounts of land devoted to producing these feedstocks; (d) assess whether any of the factors identified under par. (c) are likely to change during the period covered by the assessment and, if so, how those changes may affect the availability of future bioenergy feedstocks; (e) assess the impacts of the increased use in the state of biomass for energy production on other consumers of that biomass, land use, environmental quality, and other benefits and services derived from the natural systems in which the biomass is produced; and (f) recommend, as appropriate, legislation or changes in programs or rules of affected agencies, including whether the assessment should be continued. This assessment is currently due by April 30, 2013, and no later than April 30, of each odd-numbered year thereafter. The statutory requirements would be deleted under the bill.

Under current law, DATCP must make annual renewable fuel recommendations. DATCP must determine whether annual sales goals for renewable fuels have been met in Wisconsin. The Office must currently provide assistance in determining whether the goals have been accomplished. DATCP in consultation with OEI, must also determine whether adequate information is being provided in order to make a determination of renewable fuel sales and may request assistance from the Department of Commerce, the Department of Revenue or OEI to collect information, if it is more cost effective and less burdensome than other means of meeting the reporting requirements. The duties specifically related to OEI would be deleted under the bill.

[Bill Sections: 94, 193, 324, 325, 2298, 2309, 2314, and 2315]

20. STATE FUEL USE POLICIES

Governor: Specify that state alternative fuel use requirements would instead be policies.

Under current law, DOA must, when feasible, require agencies to store only gasohol or alternative fuel at state facilities that have refueling equipment for state-owned or state-leased vehicles. Under the bill, DOA could instead only encourage such storage and only if it was cost effective.

Currently, DOA must require state employees to utilize hybrid-electric vehicles or vehicles that operate on gasohol or alternative fuels when using state-owned or state-leased vehicles whenever such utilization is feasible. Under the bill, DOA would be required to encourage the use of such vehicles and fuel, when cost-effective.

Under current law, DOA must require agencies to collectively reduce the use of petroleum based gas and diesel in state-owned vehicles, when compared to 2006 levels, by the following amounts: (a) 20% by 2010 for gasoline; (b) 50% by 2015 for gasoline; (c) 10% by 2010 for diesel; and (d) 25% by 2015 for diesel. The bill would instead require DOA to encourage, when cost effective the following reductions, compared to 2006 levels: (a) 20% by 2015 for gasoline; and (b) 10% by 2015 for diesel. Higher reduction targets are eliminated under the bill.

Under current law, DOA must encourage the distribution of gasohol and alternative fuels and usage of hybrid-electric vehicles or vehicles that operate on gasohol or alternative fuels by individuals that use vehicles on state business and by residents of the state in general. This requirement would be modified under the bill to specify that these activities would be done "whenever feasible and cost-effective."

Delete a requirement that DOA report to the appropriate standing committees concerning the distribution of gasohol and alternative fuels and usage of hybrid electric, gasohol, and alternative fuel vehicles by April 30 of each year.

Under current law, the Office of Energy Independence must adopt, and revise when necessary, a plan to facilitate the states use of alternative fuels in the flex fuel vehicles owned by the state. The plan must ensure that state employees can identify when they are using a flex fuel vehicle, that they are aware of refueling sites that have alternative fuels available, and that state employees strive to refuel with alternative fuels. The bill deletes these provisions.

[Bill Sections: 191 and 193 thru 202]

21. STATE ENERGY POLICY MODIFICATION

Governor: Require DOA to "develop and implement a cost-effective, balanced, reliable, and environmentally responsible energy strategy to promote economic growth."

Under current law, the Department must implement and promote various state planning regarding energy use. Specifically, through long-range planning, DOA must promote the development and the maximum wise use of energy and natural and human resources in the state.

The bill would expand this duty.

[Bill Section: 323]

22. DEPARTMENT OF DEFENSE EXCESS PROPERTY PROGRAM

PR	\$256,600
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Governor: Provide \$128,300 annually to a new PR annual federal resource acquisition appropriation to carry out federal resource acquisition activities. This funding could be utilized by DOA to provide grants to any organization with which DOA contracts to operate federal resource acquisition activities. Modify the Department of Justice's (DOJ) Division of Administrative Services gifts, grants and proceeds appropriation to provide that funding must annually be transferred from the DOJ appropriation to the new DOA federal resource acquisition appropriation. The required transfer would equal the amounts provided for in the DOA federal resource acquisition appropriation.

Under current law, DOJ utilizes its Division of Administrative Services gifts, grants and proceeds appropriation to receive and allocate legal settlement funds that are distributed at the discretion of the Attorney General. The Executive Budget Book indicates that the intent of this recommendation would be transfer "discretionary legal settlement funds" to the new DOA federal resource acquisition appropriation.

The Executive Budget Book further indicates that the provision is intended to provide sufficient funding to eliminate the need for law enforcement agencies to pay a \$500 annual fee to participate in the Section 1033 program. Section 1033 of the National Defense Authorization Act of 1997 permits the federal Department of Defense to transfer excess military property to law enforcement agencies. Eligible law enforcement agencies are government agencies whose primary duty is the enforcement of federal, state, and local laws, and whose compensated full-time law enforcement officers have arrest and apprehension powers. Excess property acquired by law enforcement agencies under the program can be used for counter-drug and other law enforcement activities except for the operation of a jail. The Wisconsin Technical College System Foundation operates the Wisconsin Section 1033 program through an agreement with DOA's Office of Justice Assistance.

[Bill Sections: 336, 694, and 721]

23. YOUTH DIVERSION PENALTY SURCHARGE APPROPRIATION REDUCTIONS -- OFFICE OF JUSTICE ASSISTANCE (OJA)

PR	- \$190,200
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Governor: Reduce expenditure authority under the following agency appropriations by \$95,100 annually (10% annually after any standard budget adjustments).

<u>Appropriation</u>	<u>Annual Reduction</u>
Youth Diversion Grants	-\$74,700
Law Enforcement and Youth Diversion Administrative Funding	<u>-20,400</u>
Total	-\$95,100

Youth Diversion Grant Program Under Current Law. Under current law, OJA is required to utilize \$1,200,000 annually (\$380,000 GPR and \$820,000 PR in penalty surcharge funding) to enter into contracts with organizations in specified counties or localities for the diversion of youths from gang activities into productive activities, including placement in appropriate educational, recreational, and employment programs. Current law also requires OJA to utilize \$300,000 PR annually to enter into a contract with an organization in Milwaukee County for alcohol and other drug abuse education and treatment services for participants in that organization's youth diversion program. [This latter funding comes from the Department of Health Services from federal funds that it administers.] The statutes specifically direct OJA to enter into the following contracts for the following amounts: (a) \$800,000 to an organization in Milwaukee County; (b) \$150,000 to an organization in Racine County; (c) \$150,000 to an organization in Kenosha County; (d) \$150,000 to an organization located in Ward 2 in the City of Racine; (e) \$150,000 to an organization in Brown County; and (f) \$100,000 to an unspecified organization (which OJA has awarded to the City of Racine).

Youth Diversion -- Bill Provisions. Reduce the statutorily directed funding to youth diversion programs as follows: (a) -\$104,300 annually to an organization in Milwaukee County; (b) -\$25,650 annually to an organization in Racine County; (c) -\$25,650 annually to an organization in Kenosha County; (d) -\$25,650 annually to an organization located in Ward 2 in the City of Racine; (e) -\$25,650 annually to an organization in Brown County; and (f) -\$18,100 annually to an unspecified organization (which OJA has awarded to the City of Racine). These annual reductions of \$225,000 reflect: (a) that base funding for the youth diversion grants PR penalty surcharge appropriation was reduced by \$72,900 annually in prior budgets compared to the funding needed to fully fund the statutory grant amounts; (b) additional reductions of \$74,700 PR annually based on penalty surcharge revenue estimates; (c) that base funding for youth diversion grants from the Department of Health Services was reduced by \$18,400 PR annually in prior budgets compared to the funding needed to fully fund the statutory grant amounts; (d) that base funding for the youth diversion grants GPR appropriation was reduced by \$23,300 annually in prior budgets compared to the funding needed to fully fund the statutory grant amounts; and (e) a 10% annual reduction of \$35,700 GPR to the GPR-funded youth diversion appropriation.

Law Enforcement and Youth Diversion Administrative Funding. Reduce funding to the appropriation by \$20,400 annually, or 10% annually after standard budget adjustments.

Modifications to Appropriations. Require that all unencumbered balances at the end of each fiscal year in all penalty surcharge supported appropriations revert to the penalty surcharge receipts appropriation under the Department of Justice. [See "Justice."]

[Bill Sections: 732, 735, and 9101(1)]

24. GRANT FOR WISCONSIN CASA ASSOCIATION -- OFFICE OF JUSTICE ASSISTANCE (OJA)

Governor: Delete the directive in statute that OJA provide a grant of \$150,000 FED annually to the Wisconsin CASA (court-appointed special advocates) Association for the support, assistance, and development of court-appointed special advocate programs. The grant has been funded with federal funding received under the Byrne Justice Assistance Grant Program. In abuse and neglect cases, a court-appointed special advocate may provide information to the court regarding the best interests of a child.

[Bill Section: 327]

25. DELETE MATERIALS AND SERVICES POSITION

Governor: Delete \$75,400 PR and 0.65 PR position annually under the materials and services to state agencies appropriation. All deleted funding would occur under permanent salaries. No corresponding reduction occurred under fringe benefits.

	Funding	Positions
PR	- \$150,800	- 0.65

Procurement

1. CONTRACTUAL SERVICES REVIEWS AND COST-BENEFIT ANALYSIS

Governor: Delete the current law requirement that DOA must promulgate rules for contractual services procurement, including prescribing approval and monitoring processes for contractual service contracts. Delete the current requirement for agencies to conduct a uniform cost-benefit analysis of proposed contractual services purchases and renewals involving an estimated expenditure greater than \$25,000, in accordance to the rules promulgated by DOA. Delete the requirement that DOA include in these rules a requirement to periodically review the appropriateness of continuing the contractual service. Delete a requirement for state officers requesting permission to use vendors for contractual services to submit to DOA written justification for such contracting which currently includes: (a) a description of the contractual services to be procured; (b) justification of need; (c) justification for not contracting with other agencies; (d) a specific description of the scope of contractual services to be performed; and (e) justification for the procurement process if a process other than competitive bidding is to be used. Delete the requirement that DOA could not approve contractual services unless it was satisfied that the justification for contracting conforms to the DOA promulgated rules.

Delete the current law requirement that the Office of State Employment Relations (OSER), under conditions of the DOA contractual services rules, must review the following: (a) that agencies are properly utilizing state employees; (b) that agencies are evaluating the feasibility of using limited-term appointments prior to entering into contracts; and (c) that

agencies are not violating collective bargaining agreements.

Delete the current law requirement that DOA must provide a report by October 15, of each year to the Governor, the Joint Committee on Finance, the Joint Audit Committee, and the Chief Clerk of each house of the Legislature, concerning the number, value, and nature of contractual service procurements authorized for each agency during the previous year. Currently, the report must include the following regarding purchases in the previous year: (a) a summary of the cost benefit analyses completed by agencies in the preceding year; and (b) recommendations for elimination of unneeded contractual service procurements and for consolidation or resolicitation of existing contractual service procurements.

Delete the current requirement that DOA document the success of the Division of Legal Services in reducing the state's use of contracted employees.

Under current law, a cost-benefit analysis is defined as a comprehensive study to identify and compare the total cost, quality, technical expertise, and timeliness of service performed by state employees versus through contractual services.

Specify that these provisions would apply to contracts entered into on the effective date of the bill.

Cost benefit analysis requirements for the Department of Transportation to conduct a cost-benefit analysis for engineering services would be continued under the bill.

[Bill Sections: 188, 233, 237 thru 239, 258, 2200, and 9301(2)]

2. PROCUREMENT BID AND PROPOSAL REQUIREMENTS

Governor: Specify a threshold of \$50,000 for lowest responsible bids, sealed bids and sealed proposals.

Under current law, DOA, with some exceptions, must award contracts and orders to the lowest responsible bidder for materials, supplies, equipment, and contractual services provided to state agencies. In general, bids must be invited when the cost of the order or contract is estimated to exceed \$25,000. Bids may be invited through sealed bids or through a bidding auction. If the estimated cost is less than \$25,000, DOA may award a contract or order under a simplified procedure established by the Department. Under the bill, the threshold would be increased to \$50,000.

Under current law, if the expected cost of a procurement exceeds \$25,000 and the DOA Secretary determines that a competitive sealed bid is not practicable or advantageous to the state, the Secretary may invite competitively sealed proposals. The sealed bid proposals must state the relative importance of price and other evaluation factors. Under the bill, the threshold for invited competitive sealed proposals would be increased to \$50,000.

Under current law, if the DOA Secretary determines it is in the best interest of the state, he or she may waive the bid or proposal processes in favor of purchasing supplies, materials,

equipment, or contractual services through: (a) another governmental unit; (b) a consortium of regional or notation nonprofit institutions that support governmental or educational services; or (c) a private contractor (with approval of the Governor). The Governor may issue a general waiver for the bidding and bid proposal processes for up to one year. Printing and stationary are not subject to these waivers. If the DOA Secretary determines it is in the best interest of the state, he or she may waive procurement requirements for Department of Children and Families contracts for administering Wisconsin Works (W-2) in a particular geographic region. Currently, all these waivers apply to contracts or orders of more than \$25,000. Under the bill these waivers would apply to contracts or orders of more than \$50,000.

Specify that these provisions would apply to bids or proposals solicited on the effective date of the bill.

[Bill Sections: 246 thru 249, 259, and 9301(1)]

3. STANDARDS FOR ENERGY CONSUMING PRODUCTS

Governor: Specify that current law requirements for the purchase of energy efficient equipment would not apply to purchases of less than \$5,000 per unit. Under current law, energy consuming equipment is defined as any equipment that is designed for heating, ventilation, air conditioning, water heating or cooling, lighting, refrigeration, or any other function, and that consumes energy.

Currently, DOA must establish and annually review rules on energy efficiency standards for heating, ventilating, air conditioning, water heating or cooling, lighting, refrigerating, and other energy consuming equipment that is installed as a component of a construction project. Purchasing agents may not purchase energy consuming equipment unless the specifications for the equipment meet the applicable standards for the equipment established under the following: (a) the federal Environmental Protection Agency; (b) the federal energy conservation policy; and (c) the American Society of Heating, Refrigerating and Air-conditioning Engineers. This provision is subject to a determination by a purchasing agent that there is an applicable standard and that the equipment is reasonably available. If there is no applicable standard or the equipment that meets these standards is not reasonably available, then DOA and other purchasing agents must ensure that the equipment purchased maximizes energy efficiency to the extent technically and economically feasible. In determining the reasonableness of equipment the lifetime cost of operating the equipment must be considered. Currently, there is no minimum cost threshold.

[Bill Section: 260]

4. PROCUREMENT VIOLATIONS LIST

Governor: Require DOA to maintain a list of persons that are, or have been, party to a violation of a contractual services agreement with the state. The parties on the list would be ineligible for state contracts and no state contract could be awarded to a party on this list. Allow

DOA to remove names from the list if the agency determines that the party's practices comply with the contractual services statutory provisions and adequate safeguards against future violations have been instituted. The treatment of this provision would take effect on the effective date of the bill.

[Bill Sections: 240 and 9301(3)]

5. PRISON INDUSTRY SUPPLIES

Governor: Delete the current law requirement that DOA, and its designated purchasing agents, must write specifications for materials, supplies, commodities, equipment, and contractual services, as to allow, to the extent possible, that those products may be supplied by Prison Industries. Specify that purchasing agents must offer Prison Industries with an opportunity to provide products if the price is "equal to or lower than" the same product offered through competitive bids or sealed proposals.

Under current law the Department of Corrections must periodically provide DOA with a current list of all materials, supplies, equipment and contractual services, excluding commodities (products), that are supplied by Prison Industries. The Department of Administration must distribute this list to state purchasing agents. Before a purchasing agent purchases a product that is available through Prison Industries from another vendor (through bids or sealed proposals), the purchasing agent must offer Prison Industries with the opportunity to provide that product at a price "comparable" to one that could be obtained through competitive bids or sealed proposals.

Under current law, Prison Industries must meet the specifications designated for the product. With some exceptions (in information technology areas) and to the extent possible, purchasing agents must write specifications for the purchase of products that would permit Prison Industries to supply those products.

[Bill Sections: 242, 256, and 261]

Transfers

1. TRANSFER COLLEGE SAVINGS PROGRAMS TO DOA

	Funding	Positions
SEG	\$1,363,400	1.00

Governor: Provide \$681,700 and 1.0 positions annually related to transferring the administration of various college savings plans (EdVest, Tomorrow's Scholar, and the College Tuition and Expenses program) from the Office of the State Treasurer to DOA.

Under the bill, various appropriations, currently in the Office of the State Treasurer, would

be transferred to DOA's supervision and management functions program.

Specify that the assets, liabilities and tangible property of the Office of the State Treasurer related to the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DOA on the effective date of the bill.

Specify that all pending matters of the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill.

All contracts entered into by the Office of the State Treasurer, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contracts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by, and orders issued by, the Office of the State Treasurer relating to the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would remain in effect until their expiration date or until amended or repealed by DOA.

On the effective date of the bill, 1.0 SEG position from the Office of the State Treasurer would be transferred to DOA. Specify that the DOA Secretary would identify the position to transfer; the bill, however, indicates that the incumbent employee would be transferred. The transferred person would retain their earned rights and status under the state employment relations laws. Any person transferred would not have to go through a probationary period, if he or she has already obtained permanent status. [See "State Treasurer" for more information.]

[Bill Sections: 74 thru 77, 207, 208, 758 thru 766, 868, 904 thru 907, 1756 thru 1760, 3491, 3492, and 9149(1)]

2. TRANSFER LOCAL GOVERNMENT INVESTMENT POOL

	Funding	Positions
PR	\$362,600	1.00

Governor: Provide \$181,300 and 1.0 position annually related to the transfer of the local government pooled-investment fund from the Office of the State Treasurer to the Department of Administration. [See "State Treasurer" for more information.]

[Bill Sections: 755, 896, 898 thru 903, and 9149(2)]

3. TRANSFER OF STATE TREASURER MANAGEMENT FUNCTIONS TO DOA

Governor: Transfer the assets, liabilities, and tangible property (including records) of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, to DOA.

Specify that all pending matters of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to or actions taken by the Office of the State Treasurer that are primarily related to management services would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer that are primarily related to management services, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contracts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DOA.

[Bill Section: 9149(3)]

4. TRANSFER OF SECRETARY OF STATE ADMINISTRATIVE FUNCTIONS TO DOA

Governor: Transfer the assets, liabilities, and tangible property (including records) of the Office of the Secretary of State that are primarily related to administrative services, as determined by the DOA Secretary, to DOA.

Specify that all pending matters of the Secretary of State related to administrative services, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to, or actions taken by, the Secretary of State related to administrative services would be considered to or taken by DOA.

All contracts entered into by the Secretary of State related to administrative services, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contracts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Secretary of State related to administrative services, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Secretary of State related to administrative services, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DOA.

[Bill Section: 9142(2)]

5. AMERICAN INDIAN ECONOMIC DEVELOPMENT

PR

\$159,000

Governor: Provide \$79,500 annually from tribal gaming revenues to DOA's materials and services to state agencies appropriation for unspecified purposes.

Under the bill, various Department of Commerce appropriations would be deleted, including the one for providing technical assistance for American Indian economic development and a corresponding \$79,500 annually.

Under current law this appropriation allows for the payment of tribal assistance grants from moneys provided from tribal gaming revenues. Unencumbered balances in the appropriation at the end of each fiscal year revert to the tribal gaming general operations appropriation and are deposited into the general fund. Currently, technical assistance may be provided for tribal enterprises and Indian businesses for the following: (a) management assistance to existing businesses; (b) start-up assistance to new businesses, including the development of business and marketing plans and assistance in securing development financing; and (c) technical assistance to new and existing businesses in gaining access to tribal, state and federal business assistance and financing programs. Under the bill, this grant would be repealed. Funding would be transferred to DOA, but no purpose for the funding is identified.

[Bill Sections: 421, 744, and 3442]

6. TRANSFER RURAL HOSPITAL LOAN GUARANTEE RULE MAKING

Governor: Specify that DOA, rather than the Department of Commerce, would be responsible for promulgating rules related to rural hospital loan guarantees.

Under current law, the Wisconsin Health and Educational Facilities Authority is allowed to guarantee loans to rural hospitals. The Authority must enter into a guarantee agreement with any person who: (a) makes loans that will be used to finance the acquisition, construction, remodeling, or conversion of space at a rural hospital; and (b) wishes to have those loans guaranteed. The Authority may use money from the rural hospital loan fund to guarantee loans, if the Authority sets out the terms and conditions of the guarantee in a guarantee agreement. With the advice of the Rural Health Development Council, the Department of Commerce must promulgate rules specifying all of the following with respect to a rural hospital loan guarantee agreement: (a) the form of the agreement; (b) any conditions upon which the Authority may refuse to enter into such an agreement; (c) the procedure for making a demand for payment under the guarantee agreement, or for payment by the Authority under the guarantee agreement, in the event of a default of a guaranteed loan; (d) criteria for determining whether the guarantee is a guarantee of collection or payment; and (e) any procedures that the Authority may impose to carry out the agreement. These agreements must comply with rules promulgated by the Department of Commerce. Under the bill, DOA would be responsible for promulgating these rules.

Specify that the rules promulgated by the Department of Commerce, related to rural

hospital loan guarantees, that are in effect on the effective date of the bill, would remain in effect until the expiration date or until amended or repealed by DOA.

Specify that, on the effective date of the bill, the tangible personal property, including records, of the Department of Commerce primarily related to rural hospital loan guarantees, as determined by the DOA Secretary, would be transferred to DOA.

[Bill Sections: 2785 thru 2787 and 9110(8)]

**7. HUMAN RESOURCES PERSONNEL TRANSFER --
STATE FAIR PARK**

	Funding	Positions
PR	- \$140,100	- 1.00

Governor: Delete \$140,100 and 1.0 position in 2012-13 related to the transfer of human resources functions related to the State Fair Park from centralized DOA services to the State Fair Park, effective July 1, 2012. Reductions include: (a) \$49,700 for salaries; (b) \$13,400 for limited-term employees; (c) \$26,200 for fringe benefits; and (d) \$50,800 for supplies and services.

**8. HUMAN RESOURCES PERSONNEL TRANSFER --
REGULATION AND LICENSING**

	Funding	Positions
PR	- \$122,200	- 1.00

Governor: Delete \$61,100 and 1.0 position annually related to the transfer of human resources functions in the Department of Regulation and Licensing (Department of Safety and Professional Services under the bill) from centralized DOA services to the Department. Reductions include: (a) \$44,900 for salaries; and (b) \$16,200 for supplies and services. [No funds were deleted from fringe benefits.]

Justice Information System Surcharge

1. JUSTICE INFORMATION SYSTEM SURCHARGE OVERVIEW

Governor: Delete the current law allocation mechanism for justice information system surcharge revenue, which provides that for every assessed \$21.50 justice information system surcharge, revenue will be allocated as follows: (a) \$7.50 to the Department of Administration (DOA) for justice information systems; (b) \$6 to the court system for the circuit court automation program (CCAP); (c) \$4 for grants for indigent civil legal services; (d) \$1.50 to DOA's Office of Justice Assistance (OJA) for the treatment, alternatives, and diversion grant program; (e) \$1.50 to OJA to fund the gathering and analyzing of statistics on the justice system, including racial disparity, uniform crime reporting, and incident-based reporting (this funding

may also be transferred to OJA appropriations for traffic stop data collection implementation); and (f) \$1 to the general fund.

Instead, under the bill, all justice information system surcharge revenue would be deposited to a new PR continuing justice information fee receipts appropriation under DOA. This new appropriation would subsequently allocate surcharge revenue to 11 specified appropriations, based on the amounts specified for these appropriations. This new appropriation would also set aside \$700,000. [Department of Administration staff indicates that the intent would be to transfer \$700,000 annually from justice information system surcharge revenue to the general fund. As GPR-Earned for DOA under the budget bill assumes \$715,000 annually in justice information system surcharge revenues would be deposited to the general fund, a technical correction will be needed to reconcile the bill language with the GPR-Earned estimate for DOA.]

The following table identifies how justice information system surcharge revenues are allocated to various programs under current law, and how the new justice information fee receipts appropriation would allocate surcharge receipts under the bill. The bill would delete current law justice information system surcharge funding for the following programs: (a) \$4 from each assessed surcharge for grants for indigent civil legal services; and (b) \$1.50 from each assessed surcharge to OJA to fund the gathering and analyzing of statistics on the justice system, including racial disparity, uniform crime reporting, and incident-based reporting (this funding may also be transferred to OJA appropriations for traffic stop data collection implementation). Instead, the bill would, for the first time, provide justice information system surcharge funding for the following programs: (a) law enforcement officer supplement grants under OJA; (b) a statewide public safety interoperable communication system under OJA; (c) child advocacy center grant funding under OJA; (d) salaries and fringe benefits funding for assistant district attorneys; (e) victim notification services by the Department of Corrections; and (f) court interpreters for the circuit courts.

<u>Program</u>	Surcharge Revenue*	Expenditure Authority	
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Transfer to general fund	\$691,000	\$700,000	\$700,000
Justice information systems (DOA)	5,225,000	4,428,300	4,428,300
CCAP Automated information systems (Supreme Court)	4,177,400	3,780,000	3,780,000
Law enforcement officer supplement grants (OJA)	N/A	1,224,900	1,224,900
Interoperable communications systems (OJA)	N/A	1,062,200	421,700
Assistant district attorneys (DAs)	N/A	1,000,000	1,000,000
Treatment, alternatives and diversion program (OJA)	1,047,200	744,500	744,500
Victim notification (Corrections)	N/A	511,900	692,600
Child advocacy centers (OJA)	N/A	238,100	238,100
Court interpreters (Circuit Courts)	N/A	134,000	232,700
Indigent civil legal services (DOA)	2,785,200	N/A	N/A
Data gathering and analysis (OJA)**	1,047,200	N/A	N/A
Traffic stop data collection; state (OJA)	0	0	0
Traffic stop data collection; local (OJA)	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$14,973,000	\$13,823,900	\$13,462,800

* Allocation of justice information system surcharge revenue based on statutory language and annualized receipts through December, 2010.

** Revenue allocated for data gathering and analysis could also be transferred and utilized for traffic stop data collection expenses.

Under current law, the justice information system surcharge is generally assessed with a court fee for the commencement or filing of certain court proceedings, including civil, small claims, forfeiture, wage earner, or garnishment actions, an appeal from municipal court, third party complaint in a civil action, or for filing a counterclaim or cross complaint in a small claims action.

[Bill Sections: 206, 328, 329, 331, 335, 625, 697, 717 thru 719, 728, 729, 731, 734, 736 thru 738, 768 thru 770, 3476, 3477, and 9113(1)]

2. CIVIL LEGAL SERVICES FOR THE INDIGENT

PR	- \$5,092,200
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Governor: Delete the PR annual indigent civil legal services appropriation and its associated base expenditure authority of \$2,546,100 annually. Under current law, this appropriation is allocated \$4 from every assessed justice information system surcharge of \$21.50.

In addition, delete current law statutory language which governs the administration of this grant program. Under current law, DOA must annually pay the amounts appropriated under the PR annual indigent civil legal services appropriation to the Wisconsin Trust Account Foundation, Inc. The Wisconsin Trust Account Foundation, Inc., must distribute the amount received as grants to programs that provide civil legal services to indigent persons, and those programs may use the grant funds to match other federal and private grants. The grants may only be used for the purposes for which the funding was provided. [The Wisconsin Trust Account Foundation, Inc., was created in 1986 by the Wisconsin Supreme Court to receive

funding from the interest on lawyers' trust accounts and to provide grants to agencies providing civil legal services to indigent persons.]

[Bill Sections: 206 and 719]

3. LAW ENFORCEMENT OFFICER SUPPLEMENT GRANTS

GPR	- \$2,722,000
PR	<u>2,722,000</u>
Total	\$0

Governor: Delete the GPR annual law enforcement officer supplement grants appropriation and its base funding of \$1,361,000 GPR annually. Instead, create a PR annual law enforcement officer supplement grants appropriation funded from justice information system surcharge revenues, and provide \$1,361,000 PR annually in expenditure authority to this appropriation.

The new PR annual law enforcement officer supplement grants appropriation is also subject to a \$136,100 PR annual budget reduction associated with a 10% reduction to supplies and other non-personnel costs. As a result, the law enforcement officer supplement grants program would have net available funding of \$1,224,900 PR annually for grants to eligible cities.

The law enforcement officer supplement grants program provides grants to cities to employ additional uniformed law enforcement officers whose primary duty is beat patrolling. A city is eligible to apply for a grant under the program if it has a population of at least 25,000. The Office of Justice Assistance must make grant awards to the 10 eligible cities submitting applications that have the highest rates of violent crime index offenses in the most recent full calendar year for which data is available from the Federal Bureau of Investigation's uniform crime reporting system. The Office may not award an annual grant in excess of \$150,000 to any one city.

2010-11 Law Enforcement Officer Supplement Grants

<u>Grantee</u>	<u>Award</u>	<u>Local Match</u>	<u>Project Description</u>
Beloit	\$134,927	\$44,976	Beloit funds a portion of three beat patrol officers.
Fond du Lac	134,927	44,976	Fond du Lac police department funds two street crimes officers.
Green Bay	134,927	44,976	Green Bay maintains five officers to perform beat patrol duties.
Kenosha	134,927	44,976	Kenosha funds are used to support four beat patrol officer positions.
La Crosse	134,927	44,976	La Crosse police department funds one and a half beat patrol officers.
Madison	140,793	46,931	Madison Police Department funds salary and fringe benefits of four officers.
Milwaukee	140,793	46,931	City of Milwaukee funds a portion of salary and fringe benefits of six officers assigned to beat patrol duties.
Racine	134,927	44,976	City of Racine Police Department funds two beat patrol officers.
Wausau	134,926	44,975	Wausau Police Department supports portions of the salary and fringe benefits of four officers.
West Allis	<u>134,926</u>	<u>44,975</u>	West Allis funds a portion of the salary and fringe benefits of two officers assigned to daily patrol duties.
Total:	\$1,361,000	\$453,668	

[Bill Sections: 328 and 728]

4. TRAFFIC STOP DATA COLLECTION INITIATIVE

	Funding	Positions
PR	- \$1,528,200	- 3.74

Governor: Delete \$764,100 and 3.74 positions annually provided to OJA's traffic stop data collection; state PR appropriation. As a result, no funding or positions would remain in OJA to implement the traffic stop data collection initiative.

Under current law, \$1.50 from every assessed justice information system surcharge of \$21.50 is allocated to the OJA data gathering and analysis PR appropriation. The language of this appropriation authorizes surcharge revenue received by this appropriation to be allocated to the OJA traffic stop data collection; state PR appropriation.

Delete the current law allocation mechanism for justice information system surcharge revenue, which provides that \$1.50 from every assessed \$21.50 justice information system surcharge be deposited to OJA's data gathering and analysis PR appropriation. Delete the current OJA data gathering and analysis appropriation. Instead, create a PR continuing justice information fee receipts appropriation to allocate justice information system surcharge receipts to OJA traffic stop data collection state and local appropriations. Under the bill, neither of these appropriations would be provided expenditure authority. [Note that none of the programmatic aspects of the traffic stop data collection initiative are affected by the bill. However, 2011 Senate Bill 15 would delete the program. As of this writing, SB 15 passed the Senate but has not been taken up by the Assembly.]

[Bill Sections: 717 and 736 thru 738]

5. STATEWIDE INTEROPERABLE COMMUNICATION SYSTEM

	Funding	Positions
FED	\$0	- 0.35
PR	<u>1,483,900</u>	<u>1.35</u>
Total	\$1,483,900	1.00

Governor: Create a PR annual interoperable communications system appropriation to provide funding to operate a statewide public safety interoperable communication system. Funding to the appropriation would be provided from the justice information system surcharge. Provide \$1,062,200 PR in 2011-12, and \$421,700 PR in 2012-13, and 1.35 PR positions annually to this appropriation. Funding would include: (a) \$193,500 in 2011-12, and \$204,400 in 2012-13, in salary and fringe benefit funding; and (b) \$868,700 in 2011-12, and \$217,300 in 2012-13 in supplies and services funding.

Delete a 0.20 FED grant specialist and a 0.15 FED community services technician annually under OJA's federal aid; homeland security appropriation. This FED position authority would instead be supported by PR funding from the justice information system surcharge under the interoperable communications system appropriation.

In addition to the new justice information systems surcharge funded appropriation, create an additional PR annual public safety interoperable communication system; general usage fees appropriation to provide funding to operate a statewide public safety interoperable communication system. Authorize OJA to charge a person that is not a state agency a fee for the

use of the public safety interoperable communication system. Any such fees would be credited to this appropriation. [Current law already permits OJA to charge state agencies that are public safety agencies a fee for the use of the statewide public safety interoperable communication system. These fees are deposited to an existing PR annual appropriation.]

[Bill Sections: 332, 333, 730, 733, and 734]

6. DISTRICT ATTORNEY INFORMATION TECHNOLOGY

PR	\$616,400
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Governor: Under current law, \$21.50 is generally assessed with a court fee for the commencement or filing of certain court proceedings, including civil, small claims, forfeiture, wage earner, or garnishment actions, an appeal from municipal court, third party complaint in a civil action, or for filing a counterclaim or cross complaint in a small claims action. Of this amount, \$7.50 is deposited into the justice information system and used for district attorney information technology (DAIT).

The bill would delete the \$7.50 earmark and provide an additional \$308,200 annually for DAIT for unspecified purposes. Total funding under the modified appropriation would be \$4,800,000 annually with 16.2 positions, prior to other budget reductions.

[Bill Sections: 35, 718, and 722]

7. CHILD ADVOCACY CENTERS

GPR	- \$529,800
PR	529,200
Total	- \$600

Governor: Delete the GPR annual child advocacy centers appropriation and its base funding of \$264,900 GPR annually. Instead, create a PR annual child advocacy centers appropriation funded from the justice information system surcharge, and provide \$264,600 PR annually in expenditure authority to this appropriation.

The new PR annual child advocacy centers appropriation would be subject to a \$26,500 PR annual budget reduction associated with a 10% reduction to supplies and other non-personnel costs. As a result, the child advocacy center grant program would have net available funding of \$238,100 PR annually for grants to child advocacy centers.

Amend current law to provide that OJA provide individual annual grants of \$17,000 to 14 child advocacy centers located in specified counties for education, training, medical advice, and quality assurance activities. As a result, grants to the 14 child advocacy centers would total \$238,000 annually.

Wisconsin statute currently directs OJA to provide 14 annual grants of \$20,000 each, to child advocacy centers in specified counties for education, training, medical advice, and quality assurance activities. However, due to reduced funding available under the 2009-11 biennial budget, child advocacy centers received annual individual grants totaling \$18,900. The following child advocacy centers are currently receiving funding under the program: (a) Brown County--Sexual Assault Center of Family Services of Northeast WI; (b) Chippewa County--

Chippewa Valley Child Advocacy Center; (c) Dane County--Safe Harbor Child Advocacy Center; (d) Green County--CHAT Room; (e) Kenosha County--Children's Hospital of Wisconsin; (f) La Crosse County--Family and Children's Center--Stepping Stones; (g) Marathon County--Child Advocacy Center of Northeastern WI; (h) Milwaukee County--Children's Service Society of Wisconsin--Milwaukee; (i) Racine County--Children's Service Society of Wisconsin--Racine; (j) Rock County--YWCA on behalf of Care House; (k) Walworth County--Children's Hospital of Wisconsin--Kenosha; (l) Waukesha County--Family Service of Waukesha on behalf of C.A.R.E. Center; (m) Winnebago County--Children's Hospital of Wisconsin--Fox Valley Child Advocacy Center; and (n) Wood County--Marshfield Child Advocacy Center.

[Bill Sections: 331 and 729]

8. TREATMENT, ALTERNATIVES, AND DIVERSION PROGRAM

PR	\$220,000
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Governor: Provide an additional \$110,000 annually in justice information system surcharge funding to provide additional resources for the treatment, alternatives, and diversion (TAD) grant program. Unlike base funding which is provided as local assistance funding, the additional expenditure authority provided under the bill would be provided as supplies and services funding.

The TAD PR annual appropriation is also subject to a \$70,500 annual budget reduction associated with a 10% reduction to supplies and other non-personnel costs. The reduction would be applied to supplies and services funding. As a result, the TAD program would see a net increase of \$39,500 annually from \$705,000 to \$744,500.

Further, provide that any county receiving a grant under the TAD program on or after January 1, 2012, must provide matching funds equal to 25% of the amount of the grant. Department of Administration staff indicates that the intent is to reduce the state-funded grants to current county TAD programs by a corresponding 25% which would then permit OJA to make TAD grants to additional counties.

The provisions of 2005 Wisconsin Act 25 created the TAD grant program under OJA. The program is intended to provide grants to counties to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs.

[Bill Sections: 330 and 731]

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE

GPR-Tribal	\$52,583,000
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Governor: Appropriate \$26,952,300 in 2011-12 and \$26,953,600 in 2012-13 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) allocations totaling \$24,975,800 in 2011-12 and \$24,977,100 in 2012-13 to various state agencies for programs unrelated to tribal gaming regulation or law enforcement; and (b) appropriations for the regulation of tribal gaming in DOA [\$1,825,100 annually], and tribal gaming law enforcement in the Department of Justice (DOJ) [\$151,400 annually].

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOJ Indian gaming law enforcement appropriation; (b) the DOA general program operations appropriation relating to Indian gaming regulation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriation accounts are deposited in the general fund.

Under the bill, tribal payments to the state for gaming in the 2011-13 biennium are projected to total \$53,500,800 in 2011-12 and \$54,660,800 in 2011-12. The general fund condition statement included in the bill shows tribal gaming general fund revenue totaling \$25,700,700 in 2011-12 and \$26,882,300 in 2012-13, and the biennial total of these amounts (\$52,583,000) is shown above. The calculation for the general fund tribal revenue under the bill is summarized in the following table:

2011-13 Tribal Gaming General Fund Revenue

	<u>2011-12</u>	<u>2012-13</u>
1 Estimated Tribal Payments	\$53,500,800	\$54,660,800
2 Miscellaneous Revenue	<u>130,000</u>	<u>130,000</u>
3 Total Revenue	\$53,630,800	\$54,790,800
4 Program Allocations to State Agencies	\$26,952,300	\$26,953,600
5 Program Reserves	<u>41,500</u>	<u>18,600</u>
6 Total Expenditures	\$26,993,800	\$26,972,200
7 Net Tribal Revenue	\$26,637,000	\$27,818,600
8 Net Revenue Adjustment*	-\$936,300	-\$936,300
9 Tribal Gaming General Fund Revenue	\$25,700,700	\$26,882,300

* The annual adjustment amounts (line 8) reflect the reductions to the tribal gaming allocation appropriations relating to increased employee contributions to pension and health insurance benefits and the elimination of long-term vacancies. Because the allocations to state agencies (line 4) already include these savings, the net tribal revenue amounts (line 7) also reflect the savings. However, DOA accounted for the savings as part of a statewide GPR-earned amount in its calculations for the budget bill. Therefore, the adjustment amount was subtracted here so as not to double count the savings associated with these decision items.

Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 16 state agencies, in 44 program areas, including the DOA regulation and DOJ enforcement appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of these 44 program areas, 41 appropriation accounts are authorized under current law. Two new appropriations from tribal gaming revenue reflect current law allocations that are being transferred under the bill. First, an allocation under current law to the Arts Board for state aid for American Indian arts would be provided under the bill to the Department of Tourism to reflect the elimination of the Arts Board and the transfer of certain of its functions to Tourism. Second, an allocation to the UW System under current law for physician and health care provider loan assistance would be provided to UW-Madison under the bill to reflect the separation of UW-Madison from the UW System.

The current law allocations of tribal gaming funding to the Department of Commerce (totaling \$1,271,900 in 2010-11) for certain technical assistance relating to economic development and marketing functions, and economic development and diversification grants and loans to benefit Native Americans would be deleted under the bill to reflect the elimination of the Department. The bill would allocate \$79,500 annually for tribal governmental services and technical assistance to an existing appropriation in DOA for materials and services to state agencies and certain districts.

One program area identified in the table [Item # 30] is not appropriated funding in the 2011-13 biennium, but is an existing appropriation account under current law that can only be funded with tribal gaming revenue.

**2011-13 Tribal Gaming Revenue Appropriations
Governor**

<u>Agency</u>	<u>Program Revenue</u>		
	<u>2011-12</u>	<u>2012-13</u>	
1 Administration	\$563,200	\$563,200	County management assistance grant program.
2 Administration	247,500	247,500	UW-Green Bay and Oneida Tribe programs.
3 Administration	50,000	50,000	American Indian tribal community reintegration program.
4. Administration	79,500	79,500	Tribal governmental services and technical assistance.
5 Children and Families	395,000	395,000	Indian child high-cost out-of-home care placements.
6 Corrections	75,000	75,000	Indian juvenile out-of-home care placements.
7 Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
8 Health Services	106,900	106,900	American Indian health projects.
9 Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
10 Health Services	445,500	445,500	Indian substance abuse prevention education.
11 Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
12 Health Services	712,800	712,800	Health services: tribal medical relief block grants.
13 Health Services	133,600	133,600	Minority health program and public information campaign grants.
14 Health Services	22,500	22,500	American Indian Diabetes and Control
15 Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
16 Higher Education Aids Board	454,200	454,200	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
17 Historical Society	239,700	239,700	Northern Great Lakes Center operations funding.
18 Historical Society	199,100	199,100	Collection preservation storage facility.

<u>Agency</u>	<u>Program Revenue</u>		
	<u>2011-12</u>	<u>2012-13</u>	
19 Justice	\$631,200	\$631,200	County-tribal law enforcement programs: local assistance.
20 Justice	92,600	92,600	County-tribal law enforcement programs: state operations.
21 Justice	490,000	490,000	County law enforcement grant program.
22 Justice	695,000	695,000	Tribal law enforcement grant program.
23 Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
24 Natural Resources	92,100	92,100	Management of an elk reintroduction program.
25 Natural Resources	167,600	167,600	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
26 Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
27 Natural Resources	1,197,900	1,197,900	State snowmobile enforcement program, safety training and fatality reporting.
28 Natural Resources	62,300	62,300	Reintroduction of whooping cranes.
29 Public Instruction	222,800	222,800	Tribal language revitalization grants.
30 Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2011-13 biennium.)
31 Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
32 Tourism	9,397,900	9,397,900	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
33 Tourism	30,100	30,100	Law enforcement services at the Kickapoo Valley Reserve.
34 Tourism	24,900	24,900	State aid for the arts.
35 Transportation	247,500	247,500	Elderly transportation grants.
36 University of Wisconsin System	263,400	264,700	Ashland full-scale aquaculture demonstration facility debt service payments.
37 University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
38 University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.

<u>Agency</u>	<u>Program Revenue</u>		
	<u>2011-12</u>	<u>2012-13</u>	
39 Veterans Affairs	\$61,200	\$61,200	Grants to assist American Indians in obtaining federal and state veterans benefits.
40 Veterans Affairs	86,300	86,300	American Indian services veterans benefits coordinator position.
41 Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
42 Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Subtotal (Non-Regulatory Items)	\$24,975,800	\$24,977,100	
43 Administration	\$1,825,100	\$1,825,100	General program operations for Indian gaming regulation under the compacts.
44 Justice	<u>151,400</u>	<u>151,400</u>	Investigative services for Indian gaming law enforcement.
Subtotal (Regulation/Enforcement)	\$1,976,500	\$1,976,500	
Total Appropriations	\$26,952,300	\$26,953,600	

[Bill Section: 371]

2. MODIFY DIVISION OF GAMING FUNDING AND STAFF

	Funding	Positions
PR	- \$2,864,200	- 10.85

Governor: Delete a total of \$1,432,100 and 10.85 positions annually to reflect the elimination of funding and positions for racing regulation and making minor provisions for other areas of gaming regulation, as follows.

Delete \$1,507,500 and 11.50 positions annually budgeted for the regulation of pari-mutuel wagering and racing in Wisconsin. The Division of Gaming has statutory authority to regulate pari-mutuel wagering and racing; however, the last of the state's dog racetracks closed December 31, 2009. These reductions, as well as a standard budget adjustment, fully delete base funding and positions for this purpose.

In addition, provide \$75,400 and 0.65 positions annually, as follows: (a) \$34,300 and a 0.25 unclassified position for Indian gaming regulation; (b) \$8,200 and a 0.1 classified position for bingo regulation; and (c) \$32,900 and a 0.15 classified position and a 0.15 unclassified position for raffle regulation.

Finally, the bill would convert a 0.4 classified position for racing regulation to a 0.4 unclassified position. The administration indicates that this was done in error and will require a

technical modification to correct.

3. DELETE OUTDATED TRIBAL GAMING ALLOCATION PROVISION

Governor: Delete a provision that specified transfers to be made from tribal gaming revenue to the environmental fund in 2001-02 and 2002-03.

[Bill Sections: 747 and 886]